

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

999 18TH STREET- SUITE 300 DENVER, CO 80202-2466 Phone 800-227-8917

http://www.epa.gov/region08

2005 NOV -2 AM 10: 59

EPA REGION VIII HEARING CLERK

DOCKET NO.: SDWA-08-2005-0039		
IN THE MATTER OF:		
ENCANA OIL & GAS (USA), INC.) FINAL ORDER	
RESPONDENT		

Pursuant to 40 C.F.R. §22.18, of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondents are hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondents of this Consent Agreement and Final Order.

November 2, 2005

Alfred C. Smith Regional Judicial Officer

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8

Docket No.: SDWA-08-2005-0039

2005 NOV -2 AM 10: 59

EPA REGION VIII MEARING CLERK

In the Matter of:)	
EnCana Oil & Gas (USA) Inc.)) CONSENT AGREEMENT	Γ
Respondent.		

Complainant, United States Environmental Protection Agency, Region 8 (EPA), and Respondent EnCana Oil & Gas (USA) Inc. (EnCana), by their undersigned representatives, hereby consent and agree as follows.

BACKGROUND

- 1. EPA issued to EnCana a Proposed Order and Penalty Complaint with Notice of Opportunity for Hearing (Complaint) filed on July 13, 2005, alleging the violation of Part C of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h et seq., relating to underground injection controls (UIC).
- The Complaint alleged that EnCana violated the SDWA by failing to plug and abandon the Tribal 194-14 well in Section 15 of Township 37 North, Range 7 West, in Glacier County, Montana. The alleged duration of Respondent's violation is from November 30, 2002 through February 25, 2004. The location of the Tribal 194-14 well is inside the exterior boundaries of the Blackfeet Indian Reservation.
- 3. To resolve this matter, the parties agree to a settlement requiring EnCana to pay a penalty in the amount of \$35,000.00 (thirty-five thousand dollars). EPA finds this penalty

- amount is appropriate, taking into consideration the statutory factors in Section 1423(c)(4)(B) of the SDWA; EPA's UIC Penalty Policy; and other factors. The penalty shall not be tax deductible by EnCana.
- 4. EnCana admits that EPA has the jurisdictional authority to issue the Complaint and settle this case pursuant to this Consent Agreement, but does not confirm nor deny the remaining allegations, including the findings and alleged violation.
- 5. This Consent Agreement applies to and is binding upon EPA and upon EnCana and its successors and assigns. Any change in ownership or corporate status of EnCana, including, but not limited to, any transfer of assets of real or personal property shall not alter EnCana's responsibilities under this agreement.
- EnCana waives its right to contest any issue of law or fact set forth in the Complaint and knowingly agrees to waive its right to a hearing on this matter under section 1423(c)(3)(a) of the SDWA, 42 U.S.C. § 300h-2(c)(3)(a), and to appeal this matter under SDWA section 1423(c)(6), 42 U.S.C. § 300h-2(c)(6).

TERMS OF SETTLEMENT

Civil Penalty

- 7. EnCana consents to the issuance of the Consent Agreement and for the purposes of settlement to the payment of the above-cited civil penalty.
- 8. EnCana shall, not more than thirty (30) calendar days after the date of the signed Final Order in this matter, submit a cashier's or certified check in the amount of \$35,000.00 (thirty-five thousand dollars), payable to "Treasurer, United States of America" to:

EPA - Region 8 Regional Hearing Clerk Post Office Box 360859 Pittsburgh, Pennsylvania 15251.

9. A copy of the check identified in paragraph 8 shall be simultaneously mailed to the following addresses:

Tina Artemis, Regional Hearing Clerk U.S. EPA, Region 8 (8RC) 999 18th Street, Suite 300 Denver, Colorado 80202-2466, and

Jim Eppers, Senior Enforcement Attorney U.S. EPA, Region 8 (8ENF-L) 999 18th Street, Suite 300 Denver, Colorado 80202-2466.

EnCana further agrees and consents that if it fails to pay the penalty in accordance with the terms of paragraph 8, the amount of \$41,201.00 (forty-one thousand, two hundred and one dollars) less any payments made, if any, shall be due and owing. Interest on this amount shall accrue at the rate established by the Secretary of the Treasury pursuant to 31 U.S.C. §3717. A late payment charge of twenty dollars (\$20.00) shall be imposed after the first 30 calendar days that the payment, or any portion thereof, is overdue, with an additional charge of fifteen dollars (\$15.00) imposed for each subsequent 30-day period until the payment due is made.

GENERAL PROVISIONS

- 11. This Consent Agreement contains all the terms of the settlement agreed to by the parties.
- Nothing in this Consent Agreement shall relieve EnCana of the duty to comply with the SDWA and its implementing regulations.
- 13. Failure by EnCana to comply with any of the terms of this Consent Agreement shall constitute a breach of the agreement and may result in referral of the matter to the Department of Justice for enforcement of this agreement and for such other relief as may be appropriate.
- Nothing in this Consent Agreement shall be construed as a waiver by the EPA of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of EnCana's failure to perform pursuant to the terms of this Agreement.
- The undersigned representative of EnCana certifies that he is fully authorized to enter into the terms and conditions of this Consent Agreement and to bind EnCana to those terms and conditions.
- 16. Each party shall bear its own costs and attorneys fees in connection with this matter.
- 17. The parties agree to submit this Consent Agreement to the Regional Judicial Officer, with a request that it be incorporated into a Final Order.

18. This Consent Agreement, upon incorporation into a Final Order by the Regional Judicial Officer and full satisfaction by the parties, shall be a complete and full civil settlement of the specific violation alleged in the Complaint.

EnCana Oil & Gas (USA) Inc.

Date: 10-25-05

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U.S. ENVIRONMENTAL PROTECTION AGENCY REGION 8

Date: ////05

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Assistant Regional Administrator Office of Enforcement, Compliance and Environmental Justice

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached CONSENT AGREEMENT/FINAL ORDER in the matter of ENCANA OIL AND GAS (USA), INC., DOCKET NO.: SDWA-08-2005-0039 was filed with the Regional Hearing Clerk on November 2, 2005.

Further, the undersigned certifies that a true and correct copy of the document was delivered to James H. Eppers, Enforcement Attorney, U.S. EPA - Region 8, 999 18th Street - Suite 300, CO 80202-2466. True and correct copies of the aforementioned document was placed in the United States mail certified/return receipt on November 2, 2005, to:

Scott Regan, Esq. EnCana Oil and Gas (USA), Inc. 370 17th Street, Suite 1700 Denver, CO 80202

November 2, 2005

Tina Artemis

Regional Hearing Clerk

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